

**IDEA VILLAGE
CONFLICT OF INTEREST
STATEMENT OF PRINCIPLES**

Introduction

The Idea Village recognizes that as part of its activities, conflicts of interest, actual or perceived will arise from time to time. It is in the best interests of the Idea Village to establish a protocol for the management of conflicts of interest when they arise so as to preserve the reputation of the entity and the transparency of the processes it employs in order to facilitate its objectives. Because of the wide array of stake holders, sponsors, vendors and service providers and other constituents that interact with the Idea Village in a variety of ways, excessively rigid policies applied to every circumstance may hinder, rather than advance, the Idea Village's objectives. On the other hand, certain conflicts are of such a nature that a "bright-line" approach to them is appropriate. Set forth below is 1) a general procedure recommended for the management of all conflicts, actual or perceived, 2) a delineation of those circumstances in which the Idea Village's disposition towards a conflict is predetermined on a "bright-line" basis and 3) guidelines to be used with respect to all other circumstances.

General Procedure

In all instances involving any conflict of interest, whether actual or perceived, the following is required 1) immediate disclosure by the affected party to the Chairman of the Board of Directors of the Idea Village; 2) disqualification and non-involvement by the affected party in process to determine how the Idea Village will respond to the conflict; 3) discussion among members of a conflicts committee established by the board to resolve the conflict; 4) resolution by the board of directors, or the executive committee if deferred to it, on action recommended by the conflicts committee.

For the avoidance of doubt, board members and mentors are eligible to invest in a company participating in an Idea Village program if all of the following, additional requirements are observed:

- Investor must not have preferential terms to other investors (e.g. If shares are going for \$100, he /she cannot buy shares for \$50).
- Investor must commit to continue to allocate his/her resources to other entrepreneurs in a transparent and mutually beneficial manner
- Investor must make clear representation that the funding and solicitation is personal and NOT on behalf of The Idea Village

Bright Line Rules

The following activities are considered unwaivable conflicts and the only manner in which to proceed is to refrain from the activity or resign from the Idea Village post held by the affected party:

1. No employee or paid staff member of the Idea Village shall enter into any contract, directly or indirectly, with a client of the Idea Village requiring monetary or any other form of compensation to be paid to the employee or staff member, or to any entity beneficially or substantially owned and/or controlled by the employee or staff member.
2. No board member shall receive a preferential opportunity to acquire, directly or indirectly, any stock, debt security, warrants, options or any other security issued or offered by a client of the Idea Village.
3. No board member shall, without prior written disclosure to the Chairman of the Board, render services for compensation, independently of services rendered by the Idea Village, or become an officer, director or employee of any Idea Village Client.

Other Conflicts Actual or Perceived

With respect to any other conflicts, whether actual or perceived, the affected party must disclose all facts pertaining to the conflict to the Chairman of the Board of the Idea Village as soon as the conflict becomes apparent, The Chairman will then defer the matter to the Conflicts Committee for resolution as discussed above.

In all circumstances the final resolution of the conflict must require at a minimum that the affected party recuse itself from all actions on behalf of the Idea Village that bear upon the conflict. In addition to the foregoing, the board may make such other recommendations as it deems appropriate under the circumstances and that are consistent with the best interests of the Idea Village.